

DAILY REPORT

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GOVERNMENT, CITIZENS NOTE FALKLANDS ANNIVERSARY

PY050158 Buenos Aires BUENOS AIRES HERALD in English 4 Jan 83 p 11

[Excerpts] (NA-REUTERS-DYN) -- Argentina yesterday called for speedy negotiations with Britain to find a definitive solution to the sovereignty dispute over the Malvinas Islands on the 150th anniversary of Britain's seizure of the archipelago.

Meanwhile, government officials, politicians and several organizations held separate ceremonies to repudiate the British presence on the islands and to honour the memory of the soldiers who died fighting in the South Atlantic last year.

The ceremonies were generally quiet, but the police had to clear Plaza de Mayo as quarrels erupted between about 150 members of the Volunteers' Centre and a dozen young members of the Malvinas Veterans Centre. Both groups were holding separate ceremonies in front of Government House when the volunteers started branding the former conscripts communists.

In Washington, Argentina's ambassador to the Organization of American States (OAS), Raul Quijano, accused Britain of "perpetuating a status quo which my country does not accept and will not accept" by refusing to negotiate the dispute over the islands. Quijano spoke on the Malvinas question as he was being installed as president of the OAS' Permanent Council, a post which is held by each member country for a three-month period.

In Buenos Aires, state-run radio and tv stations called for a minute's silence to honour the Malvinas war dead and aired a message by Aguirre Lanari, saying that Argentina would continue pushing for "full and legitimate sovereignty over the South Atlantic archipelago."

Political leaders told the independent NOTICIAS ARGENTINAS newsagency that Argentina should not rule out another invasion of the islands if peaceful methods failed to recover them. But the politicians stressed that every effort to regain the Malvinas by peaceful means should be made.

"We would make any future military action conditional on a decision of the people expressed through Congress," said Peronist leader Deolindo Bittel.

"A new armed intervention in the islands should not be ruled out," said Francisco Manrique, head of the Federal Party.

Radical politician Ruben Rabanal stressed that "military attack should be a final position after all procedures to avoid another confrontation have been exhausted."

OFFICIAL ON BRITISH CITIZENSHIP FOR Kelpers

PY041358 Buenos Aires Domestic Service in Spanish 2000 GMT 3 Jan 83

[Text] Gustavo Daniel Figueroa, chief of staff and director general of the Media Department of the Foreign Ministry, has stated that it is not mere chance that the inhabitants of the Malvinas Islands and Gibraltar have been given the opportunity of obtaining British citizenship from Great Britain and yet they inhabitants of Hong Kong have not been given this same opportunity. He also stated that the decision has come too late.

The diplomat was asked for his interpretation of the British Government's decision to grant this citizenship to the inhabitants of the Malvinas.

In this respect, Figueroa stated: It is surprising that the British, with their usual level-headedness, have given the inhabitants of the Malvinas and Gibraltar the opportunity of obtaining British citizenship. It just so happens that in these two cases it is a question of people belonging to the white race and I have not, for example, observed that they have done the same for the inhabitants of the colony of Hong Kong. In the second place, and I believe that this is very important, it is critical that it be made known that we continue to estimate that of the number of people who inhabit the Malvinas, only 300 or 400 persons can be granted or can adopt British citizenship.

The foreign minister's chief of staff then said that it still has to be seen whether those 300 or 400 persons will be able to live in Great Britain later on, because the Malvinas belong to us.

FOREIGN MINISTER TO ATTEND NONALIGNED MEETING

PY041355 Buenos Aires Domestic Service in Spanish 1030 GMT 4 Jan 83

[Text] Argentine Foreign Minister Juan Ramon Aguirre Lanari will lead an Argentine delegation that will participate in the Nonaligned Movement Coordinating Bureau's meeting. The meeting will be held in Nicaragua from 10 to 24 January 1983.

The presidential decree that was issued in this regard states that Argentina must inevitably attend all international forums where the subject of Argentine sovereignty over the Malvinas Islands is directly or indirectly discussed.

FOREIGN MINISTER RECEIVES USSR AMBASSADOR

PY050240 Buenos Aires TELAM in Spanish 2145 GMT 4 Jan 83

[Text] Buenos Aires, 4 Jan (TELAM) -- Soviet Ambassador Sergey Striganov delivered to Foreign Minister Juan Aguirre Lanari the text of two resolutions of the USSR Supreme Soviet regarding peace and disarmament proposals. The ambassador went to San Martin Palace this afternoon where he met with the foreign minister for approximately 20 minutes. Striganov left at the end of the meeting without making any statements. In reporting on the visit, the foreign minister also stated that the ambassador had greeted the head of this ministry on the occasion of the beginning of the new year.

LABOR GROUPS TO SEEK UNIFICATION OF WORKERS

PY042022 Buenos Aires TELAM in Spanish 1845 GMT 4 Jan 83

[Text] Buenos Aires, 4 Jan (TELAM) -- After a 3-hour meeting, the executive councils of the CGT-Brasil [General Labor Confederation headquartered on Brasil Street] and of the 62 Organizations decided to authorize Saul Ubaldini and Lorenzo Miguel -- the secretaries general of the two groups -- to carry out negotiations seeking to achieve the unification of the labor movement. The meeting was also attended by Fernando Donaïres, the representative of the so-called Nonaligned Sector, which will reportedly join the CGT-Brasil.

GOVERNMENT NOTIFIES IMF OF NEW ECONOMIC MEASURES

PY041434 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Jan 83 p 1

[Text] This week the Brazilian Government is sending a letter of intent to the IMF. In it, the Brazilian Government commits itself to decrease the 1982 inflation rate of 99.7 percent to 78 percent in 1983. By the end of 1983, the inflation rate must be about 70 percent as opposed to the 96 percent registered in December 1982. According to the letter, there will be a bigger drop in prices in the following years, because the inflationary pressure that came into play when price restrictions and controls were lifted in 1982 will be removed.

The letter of intent, signed by Finance Minister Ernane Galveas and Central Bank President Carlos Langoni, is 12-pages long and caused no surprises in Brazilian business, economic and political circles since all the measures announced were expected. According to the chairman of the Sao Paulo Industrial Federation, Luis Eulalio de Bueno Vidigal Filho, the letter has "brought assurance to everyone that our national sovereignty will remain intact."

Nevertheless, in addition to the announced measures, the government has the intention of adopting "all necessary measures" to stabilize the economy. Moreover, it commits itself to periodically consulting the IMF to see whether the proposed program is achieving its objectives.

Among these objectives are the suspension of subsidies and the promotion of a policy to reduce prices of all goods and services. [as published] The suspension of subsidies will cause a substantial increase in prices on gas, bread, sugar, public transportation and the interest rate on agricultural credits.

There should also be a decrease in real wages since the Brazilian Government commits itself to establishing a wage policy designed to increase the number of jobs in the country.

Moreover, this year the executive branch will submit to congress a tax reform draft that will grant more autonomy to the states, and that will decrease taxes on basic goods. The fall in tax revenues will be compensated by an increase in taxes on luxury items.

More on Measures for IMF

PY042109 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jan 83 p 13

[By Carlos Max Torres, Marizete Mundin and Etevaldo Dias]

[Text] Brasilia -- To comply with conditions of the IMF, the government has yet to adopt three important measures; tax reform, changes in salary policy, and withdrawal of subsidies now granted to wheat and sugar. According to two advisers to Labor Minister Murilo Macedo yesterday, one theory under study regarding the salary issue provides for excluding increases on oil byproducts from the national consumer price index (INPC) that serves as a basis for salary readjustments.

Regarding tax policy, the government is studying two ideas: a better distribution of resources among states, which will benefit the north-northeastern regions to the detriment of the central-south regions; and an increase in tax revenues through taxes on industrial products (IPI) [manufactured goods taxes] by increasing tax percentages on the manufacture of cars, soft drinks and beer.

According to an adviser to Finance Minister Ernane Galveas, another idea is to implement a 1 percent increase on all products in the IPI list. The Tax Revenue Service Secretariat is completing studies to increase IPI tax percentages.

Regarding the withdrawal of subsidies granted by the Treasury, last November the National Monetary Council (CMN) increased from 45 percent to 60 percent the interest rates on agricultural credits extended to producers in the southern-central region. With the last oil byproduct price increase, economic officials started the process of subsidy withdrawal, readjusting gasoline price by 15 percent, while diesel fuel and fuel oil were readjusted by an average of 20 percent. The objective of this policy is to decrease the oil account deficit, which is now estimated at 150 billion cruzeiros.

More dramatic will be the withdrawal of wheat subsidies since wheat imports in 1983 should total \$500 million. This will result in a 50 percent increase in domestic prices of wheat flour, which, in turn, will have an immediate impact on the prices of bread, crackers and noodles, and consequently on the cost of living index. Planning Minister Delfim Netto admits that this strategy is in conflict with the objective agreed on with the IMF, namely, bringing inflation down to 70 percent in 1983. Delfim Netto explains that the objective is really to achieve an average inflation rate of 78 percent throughout the year and then end up with a 70 percent inflation rate by December.

However, he notes that the inflationary effect of removing subsidies is temporary and will later be absorbed by the economy, in contrast to granting subsidies which are a constant source of inflation. Moreover, consumers will be punished with substantial increases in sugar prices. At present, sugar production costs in the northeast region surpass those in the central-southern region and the difference is covered by the government through Treasury resources to avoid higher prices for consumers in the northeast. Since this practice will be discarded, the sugar price for consumers will reflect real production costs.

The CMN decision to impose a monthly readjustment on the dollar is among the proposed measures. The dollar will be readjusted by 1 percent over the monthly inflation rate, resulting in a 12.7 percent difference by the end of the year. The objective of the measure is to make Brazilian exports more competitive, since the government is aiming at \$23-billion worth of exports in 1983.

Another decision was to decrease investments by government-owned enterprises by 20 percent. According to the Secretariat of Control of State-owned Companies (SEST), investments in government-owned enterprises will amount to 4.6 trillion cruzeiros. This will basically result from a \$3.5 billion cutback in foreign loans. A decision was made to decrease by 50 percent the fiscal deficit, from 13.8 percent to 7.9 percent [as published] of the gross domestic product as it stands on 31 December 1983.

CENTRAL BANK ESTABLISHES PAYMENT PROCEDURES

PY042148 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Dec 82 p 1

[Text] The Central Bank has sent a telex to all bank creditors of Brazil, in effect suspending the payment of the principal of the foreign debt that expires in January 1983. The payments will be deposited in cruzeiros beginning on 1 January in the Central Bank account in the names of the creditors, with a payment of 1.125 percent on LIBOR [London Interbank Offered Rate -- in boldface] or 1.875 percent on the "prime rate" [given in English].

Central Bank President Carlos Langoni stated that it is not a moratorium. "We only establish the operational procedure for the banks which responded affirmatively to the Brazilian proposal for automatic renewal, with a term of 8 years and 2 and 1/2 year grace period for debts with a 1983 maturity date" (\$4 billion).

Beginning today, the enterprises established in Brazil that have managed to change their debt or financing contracted abroad into risk investments will receive a credit of 10 percent of the overall amount of the operation. The companies that have increased their capital until the last day of 1983 will have the right to a government credit of 5 percent over the increase.

Difficulties in the remittance of dollars abroad have caused 4.7 percent increase in the black market rate percent from the day before yesterday to yesterday; the dollar increased from 430 to 450 cruzeiros. The increase this week was 7.1 percent -- higher than the December monetary correction rate (6.5 percent).

Langoni feels that the \$4.4 billion JUMBO [given in English and boldface] loan "will be possible only by the third week of January." Antonio Chagas Merirelles, director of the Central Bank's banking department, will arrive today in London to discuss with bankers the reestablishment of the inter-bank lines of credit for Brazilian commercial banks on the same level as in June 1982.

EAST BLGC SHIPS IMPORTED TO BALANCE TRADE

PY050101 Rio de Janeiro O GLOBO in Portuguese 28 Dec 82 p 5

[Text] In order to balance its trade with East European countries, Brazil will import six more ships during the next few days. Three 83,000-ton tankers will be bought for Petrobras from Poland. This purchase will reduce Poland's debt with Brazil. Our country will also import two tankers for transporting chemicals from Yugoslavia in exchange for the coffee sales already made to that country. One ship will be purchased from the Soviet Union in exchange for the export of Brazilian chicken meat.

This year, Brazil has bought more ships abroad than it has in the domestic market despite the fact that it has the strongest shipbuilding industry in Latin America and occupies seventh place in ship construction in the world. Authorities explain that the preference for importing ships from abroad is due to the lack of national resources. By importing ships the country has obtained extra loans to finance the domestic construction of vessels.

This year, 300,000 shipping tons were bought on the domestic market and 528,000 tons were bought abroad. The import of 259,000 tons as of the beginning of December had already been disclosed. Among these imported vessels are, first, those for transporting chemical products, followed by those for transporting cellulose, container ships and Ro-Ros.

Brazilian shipyard owners did not react favorably to the most recent imports from Poland, the Soviet Union and Yugoslavia. They agree that the purchase of vessels to generate resources for domestic commitments is justified, but say the imports made to balance Brazil's trade balance should not only affect this sector. They also maintain that a larger number of national industries are involved in the construction of ships than in the chemical and vehicle industries, which mostly consist of multinational companies in better condition than the Brazilian shipyards to absorb imports.

DROUGHT AFFECTS 200,000 PEOPLE IN BAHIA

PY302150 Rio De Janeiro JORNAL DO BRASIL in Portuguese 27 Dec 82 p 1

[Text] At least 200,000 persons, children and adults, are suffering the consequences of a protracted drought in the Irecê region, Bahia State, and their situation will worsen if the slight drizzle which fell over the past weekend does not turn into rain within the next 10 days. This information was provided by the regional coordinator for the Drought Commission of the Codevasf [Company for the Development of the Sao Francisco Valley], Raimundo Bonfim.

Bonfim said: "So far only farmers have been affected, but if the situation continues for another month, judging by what I have seen over there, small merchants and the workers who depend on these merchants will run out of food." The scant rain which fell in the Irecê region was less than 2.5 millimeters; a long way from the 30 millimeters that are necessary for planting by February.

FLASH FLOODS KILL 51 PERSONS IN BELO HORIZONTE

PY050011 Brasilia Domestic Service in Portuguese 2200 GMT 4 Jan 83

[Excerpt] Torrential rains caused landslides and flash floods in Belo Horizonte last Sunday. While 2,500 people were left homeless, 51 persons were reported dead.

Minas Gerais Governor Francelino Pereira gave the following account to EBN [BRAZILIAN NEWS AGENCY]:

[Begin Pereira recording] There are 51 dead; 2,564 homeless people, corresponding more or less to 500 families. There were 18 landslides in the Belo Horizonte and Contagem District area; 8 bridges were damaged; there are 18 areas where highways were damaged; and (?6) water supply and sewage systems were also damaged.
[end recording]

FOREIGN POLICY GUIDELINES SUBMITTED TO PINOCHET

PY041747 Santiago Domestic Service in Spanish 1630 GMT 4 Jan 83

[Text] President Pinochet held a 2-hour meeting today with Foreign Minister Rojas Galdames and Deputy Foreign Minister Sergio Covarrubias. The foreign minister reported at the end of the meeting that national foreign policy guidelines were submitted to the president. In this regard Rojas Galdames noted that special emphasis will be placed on Chilean relations with countries in the Pacific and African regions. He added that it is in keeping with this spirit that we will travel to those areas in February.

Moreover, Rojas Galdames said that relations with Latin American countries, which are very good, will be strengthened.

The foreign minister noted that a statement containing some suggestions on human rights was also submitted to the president during the meeting.

TOP-RANKING AIR FORCE ASSIGNMENTS REPORTED

PY042020 Santiago LA TERCERA DE LA HORA in Spanish 15 Dec 82 p 4

[Text] The Chilean Air Force [FACH] yesterday reported the assignments of nine of its highest-ranking officers.

The assignments, which were ordered by FACH Commander in Chief Gen Fernando Matthei, are the following:

Maj Gen Pablo Saldias Maripangué will take over as chief of the National Defense Staff. This information had already been released earlier in the week.

Air Force Intelligence Service Director Brig Gen Vicente Rodriguez Bustos has been appointed commander of the Personnel Command.

Brig Gen Enrique Escobar Rodriguez, head of the air force mission in France, will take over as commander of the Logistics Command.

Brig Gen Sergio Linares Urzua, commander of the Logistics Command, has been assigned to the position of air force secretary general.

Brig Gen Raul Vargas del Campo Silva, commander of the 2d Air Brigade and commander of Santiago's air force general garrison, has been assigned to the post of chief of the air force mission in Great Britain.

Brig Gen Osvaldo Verdugo Casanova, presently a member of the National Defense Staff, will take over as chief of staff of the Personnel Command.

Brig Gen Ramon Vega Hidalgo, head of the air force mission in Great Britain, has been appointed commander of the 2d Air Brigade and commander of Santiago's air force general garrison.

Brig Gen Jaime Lavin Farina, director of the Infrastructure Department, will take over as chief of staff of the Logistics Command.

Brig Gen Daniel Reveco Valenzuela has been appointed director of the Air Force Intelligence Service.

MINISTER MARDONES DISCLOSES NEW LABOR PLANS

PY300221 Santiago Domestic Service in Spanish 2200 GMT 29 Dec 82

[Text] The government will implement a new plan to reduce unemployment. This was reported by Labor Minister Patricio Mardones when referring to the employment policy that the government is implementing.

The objective of this policy is to reduce unemployment, so that [words indistinct] 15 percent by the third quarter of 1983.

The labor minister also reported that there are plans to hire unemployed laborers, professionals and technicians. Projects highly beneficial to the community will be implemented.

Patricio Mardones stated that large public investments will be made in projects that require a large amount of manpower.

[Begin Mardones recording] These projects will be implemented under the supervision of trained workers -- currently unemployed -- who will be hired especially for this purpose. The project superintendent will have to meet certain training and experience requirements, and he will be responsible for the effective implementation of the plan in his charge. Moreover, he will have to give an account of his actions to the competent public organs. The project superintendents will be paid 30,000 pesos monthly for this work. The selection of these superintendents will be made exclusively on the basis of their professional qualifications. The superintendents will be assisted by technical supervisors, who will be selected on the same basis as their bosses. The technical supervisors, who will be paid 15,000 pesos monthly, will supervise the activities of foremen. The foremen will be trained workers and they will be paid 11,000 pesos monthly. The foremen will supervise the activities of the labor crews, who will be paid 4,000 pesos monthly. [end recording]

The labor minister announced that there is another plan to grant additional subsidies to hire more manpower. He stated, however, that the benefit established by Law No 18,134, which amounts to 1,200 pesos for each worker who is hired [word indistinct], will be maintained.

[Begin Mardones recording] An additional 3,000-peso fixed subsidy will be granted for each additional worker hired as of 30 November. In order to be entitled to this subsidy, employers will have to hire persons who are registered with any of the employment plans being implemented by the cities or who are on the dole. [end recording]

Minister Mardones stated that within the next few days the executive branch will ask the government junta to immediately approve this plan.

Patricio Mardones also referred to an amendment to the dole payment.

[Begin Mardones recording] Some irregularities have been detected in this regard, which cause persons who are on the dole to reject jobs for fear that they might lose this benefit if they accept a job that might be temporary. For the purpose of stopping these irregularities, a draft law that will allow these benefits to be paid, whether in a continuous or in a staggered fashion during a 12-(?month) period, will be submitted to the government junta for consideration within the next few days. [end recording]

The labor minister added that credit lines will be granted through (Colapo) [Expansion unknown] for feasibility studies regarding investment in private sector projects.

As for the public administration sector, Minister Mardones stated that the president of the republic has ordered that no massive dismissals be carried out in this sector.

The new plans to be implemented by the Labor Ministry will call for an additional investment in the order of 7 billion pesos.

In his speech, Minister Mardones stated that the efforts that the government is and will continue to make in this regard should be supported by all sectors. The businessmen should look for new markets and prevent further dismissals, if possible. For their part, the workers should make realistic and sensible demands, and they should make efforts to increase productivity.

NEW AIR BASES TO BE BUILT IN ANTARCTIC REGION

PY050139 Santiago Diplomatic Information Service in Spanish 2335 GMT 4 Jan 83

[Text] The new FACH [Chilean Air Force] Antarctic bases in the Chile Blanco sector will have modern satellite communications equipment as well as meteorological research systems and airstrips allowing the operation of at least three planes under optimal security conditions.

A new Chilean logistics support base, located approximately 1,600 km from the Teniente Marsh Base, on the coast facing the Bellinghaussen Sea, will permit the future access of navy ships and vessels, thus strengthening Chile's sovereignty over the Antarctic.

BELAUNDE CRITICIZES PRESS REPORTS ON TERRORISM

PY041954 Buenos Aires LATIN in Spanish 2018 GMT 2 Jan 83

[Text] Lima, 2 Jan (LATIN-REUTER) -- President Fernando Belaunde Terry stated today that in view of the army's presence in the Andean Department of Ayacucho, the rebels have fallen back. He also severely criticized a sector of the press which he said was irresponsibly cooperating with terrorism.

In his first Sunday press conference in 1983, Belaunde denied clashes reported last week between the insurgents and army troops. He harshly criticized a sector of the Lima press, saying that they exaggerate the events in Ayacucho and that the profusion of reports on these events involves irresponsible cooperation with the unspeakable objectives of terrorism.

He admitted, however, that in certain rural zones of Ayacucho, 572 km southeast of Lima, there were some sporadic clashes between insurgents and police forces. There were also some minor attacks.

The sensationalist Lima morning [as received] newspaper LA REPUBLICA and the leftist DIARIO DE MARKA reported today that during the curfew last night three persons were shot dead and that some dynamite attacks were carried out against, among others, the Los Cabitos Garrison where the largest army force is staying.

The government declared a state of emergency in Ayacucho, Apurimac and Huancavelica, southeast of Lima, 4 days ago. Huancavelica is the most troubled zone in the country. The terrorist group Shining Path centers its operations there.

A high ranking police officer stated that the insurgents have withdrawn to almost inaccessible zones of the region in view of the presence of the army, which has consolidated its position, preventing the insurgents from getting supplies.

CONTINUED REPORTAGE ON SHINING PATH ACTIONS

Military Operation Starts

PY042007 Paris AFP in Spanish 1813 GMT 1 Jan 83

[Excerpt] Lima, 1 Jan (AFP) -- It was learned in Lima this morning that the political-military command of Ayacucho has ordered the Peruvian Armed Forces to go on the attack today against the Shining Path guerrillas in Ayacucho Department. The armed forces have occupied all the strategic points there.

Although reports from Ayacucho are becoming more and more scarce as a result of the restrictions imposed on the journalists since last Wednesday -- when the army, navy, air force and police took control of the region -- it has nevertheless been reported that the extremists have carried out some minor attacks.

Gen Clemente Noel Moral, chief of Ayacucho's Political-Military Command, has ordered the armed forces and the police to begin at dawn today to attack the terrorist centers that have been detected by the intelligence service.

It has been said that the military chief intends to conclude his mission before the 2-month state of emergency deadline expires. However, the state of emergency can be extended for as many times as may be deemed necessary, in keeping with the prerogatives granted by the constitution to the head of state.

Surprise attacks have been planned in the Provinces of Huanta, Cangallo, La Mar and Victor Fajardo in Ayacucho Department, where the Shining Path members have been carrying out murders and attacks against towns, bridges and police precincts.

Only elderly people remain in some of the districts raided by the terrorists, since young people have fled. The inhabitants of these districts have raised white flags over their homes as a way of proclaiming their respect for order.

Some Shining Path members set fire to the offices of the National Coca Enterprise in the city of Ayacucho yesterday, Friday, the last day of the year. The terrorists reportedly destroyed the enterprise's files, equipment and bales of coca. However, the damage is said to have been light and no casualties were reported. The terrorists subdued five employees with their weapons and then escaped in a car. Some other terrorists again raised flags bearing the hammer and sickle on some of the hills near Ayacucho. However, these flags were quickly hauled down yesterday morning.

Police officers also found two Molotov cocktails at the foot of the De la Pampa de la Quinoa Monument, 37 km from the departmental capital. This monument was erected as a memorial of the Battle of Ayacucho (1824), which was the last battle waged for Peruvian independence.

It was also reported that since several Shining Path members may seek to escape from Ayacucho to neighboring departments, highways in the area have been almost fully closed by the command. Vehicles are now subject to much stricter control and are not allowed to circulate without the corresponding safe-conduct pass issued by the military.

1 Jan Actions

PY041758 Paris AFP in Spanish 1636 GMT 2 Jan 83

[Text] Lima, 2 Jan (AFP) -- At least four deaths, one injury and numerous attacks occurred on Saturday after an apparent 2-day withdrawal of the subversives that are carrying out actions in the Southern Andean area of Peru. Two high-tension pylons were blown up on the outskirts of Lima and it has also been reported that four attacks were carried out with dynamite.

A group of alleged terrorists, armed and masked, took over Radio Concordia in Arequipa, located 1,000 km south of this capital. The radio station is located in the city's downtown area and after subduing the personnel, the terrorists ordered that a message be broadcast for a few minutes inciting the people to carry out armed struggle.

Despite the restrictions on journalists, the state of emergency and the curfew in Ayacucho, it has been learned that three civilians died early yesterday morning in the Yuracc Yuracc, Capillata and Vista Alegre shantytowns because they violated the curfew and a fourth person, Pastor Quispe Barrientos, was wounded by a bullet for the same reason.

According to the governor (political authority) of the locality of Urcay, located in Ayacucho Department, Shining Path members killed, in their first known execution of the year, a peasant leader named Sulcan.

Among the dynamite attacks that were carried out during the past 24 hours, both in Ayacucho and other localities, the most alarming were the explosions that occurred in the neighborhood of the Los Cabitos army garrison and in the neighborhood of the airport.

At least five dynamite sticks exploded in the main square and other places in Huanata, Ayacucho Province, and a local newspaper reports that a bloody confrontation reportedly took place in the locality of Santa Rosa, where subversives attacked a police post by surprise, causing heavy casualties on both sides.

Two high-tension pylons located at Pachacamac and Buenaventura in Lurin, located 36 km south of Lima, were dynamited, causing a blackout in the area. A local newspaper reports that an electric pole in the Los Alamos housing complex, located on the outskirts of Lima, was dynamited, causing alarm in the area. In other attacks in this capital, bombs were exploded in an army armory and in a shop, which caused some minor damage, while a third attack against another shop failed due to the opportune arrival of the police.

On orders of Gen Clemente Noel Moral, chief of the Political-Military Command, the combined forces -- army and police -- have begun taking action against rebel groups, while at least 100 alleged terrorists and suspects have been arrested, both in the Andean area and in this capital, due to new terrorist attacks.

Soldier Killed

PY041520 Buenos Aires LATIN in Spanish 0727 GMT 4 Jan 83

[Text] Lima, 4 Jan (LATIN-REUTER) -- A demobilized [licenciado] soldier was shot dead in Ayacucho by a guerrilla youth group and the Civil Guard (uniformed police) has reported that in that Andean city numerous arrests of people involved in attacks have been made.

A police source in Lima has reported that Cecilio Castillo, 19, was shot in the head yesterday when he opened the door of his home answering the knocks of several young people. Castillo was the second person to be killed within 48 hours. On Sunday the [deputy] mayor of Ayacucho, located 572 km southeast of here, was shot dead by an armed group, presumably members of the Maoist group Shining Path.

The deaths have occurred at a time when the armed forces have taken over the provinces of Ayacucho, Apurimac and Huancavelica, that have been declared in a state of emergency which includes a suspension of personal guarantees and imposes a 9-hour nightly curfew.

The police have also reported the capture of a seminarian, a student of the Evangelist College of Lima, Jesus Huisa, who visited his home in Ayacucho and handed his father a letter demanding the equivalent of \$300 or otherwise he would be attacked. The police added that a notebook with the names and addresses of people linked to terrorism was found in a house in (Huisa).

The police source also indicated that two women were arrested on one of the access roads to Ayacucho, carrying a parcel of military clothing belonging to the air force. The women refused to reveal where they had obtained the clothing.

The new interior minister, Fernando Rincon, has stated that the members of Shining Path are common criminals who fear the confrontation of ideas in a democratic state which was reinstituted by popular will.

Army-Terrorists Clash

PY050049 Buenos Aires TELAM in Spanish 1800 GMT 4 Jan 83

[Excerpt] Lima, 4 Jan (TELAM) -- Military sources disclosed today that last night a Peruvian Army reconnaissance squad engaged in combat with terrorist groups of the Shining Path in the Andean area of Ayacucho Department, 570 km southeast of this capital. No report on the number of casualties was disclosed. The clash between the army and the terrorist group, with an estimate of 200 members engaged in combat, took place in the town of Santa Rosa, 120 km from the city of Ayacucho.

Military spokesmen admitted this afternoon that the terrorists retreated some 120 to 150 km from Ayacucho and went up into the mountains. As they withdrew they dynamited the bridges that connect that region with the urban centers.

17 Die in Jungle

PY042234 Paris AFP in Spanish 1907 GMT 4 Jan 83

[Text] Lima, 4 Jan (AFP) -- Shining Path terrorists have made two new attacks in Ayacucho, where the armed forces have detained some 80 extremist suspects in the last few days, it was learned here today. According to unofficial reports, police and guerrilla forces suffered 17 casualties in a clash in the Ayacucho jungle, southeast of Lima.

Meanwhile in Lima, the new cabinet expressed its certainty that terrorism would soon be eradicated.

Seven Shining Path members, headed by a man in a Civil Guard uniform, attacked a peasant near the city of Ayacucho and after beating him and seriously wounding one of his sons, stole food and cattle and fled, police reported. In another attack in this city, a group of hooded young people armed with submachineguns, in a surprise action, burst into the house of a former soldier and shot him at point blank range, leaving him seriously wounded. It was also reported that intense shooting occurs during curfew hours, probably as a scare tactic, and that 50 people were arrested in Huamanguilla, near Ayacucho.

It was explained that (?the arrests) are connected with the investigation into the murder of that city's interim mayor, who was killed on 31 December. A district judge and a district mayor have also been arrested. Six terrorist suspects have also been arrested in two hamlets of that district, while 26 others were arrested in Acobamba Province, Huancavelica, a department bordering Ayacucho.

It was also reported that a violent clash took place between Shining Path members and Sinchis -- an antiradical police force -- in the tropical region of San Francisco, in eastern Ayacucho. According to unconfirmed reports, during the violent clash approximately 17 persons died, most of them extremists, who were apparently retreating toward the Amazon region.

Meanwhile, in Lima, Prime Minister Fernando Schwalb, whose cabinet was sworn in last Monday, said that peace will soon return to the terrorism-stricken region. The armed forces and the police will undoubtedly achieve what we all want: the pacification of the areas affected by terrorism and the full restoration of law, the prime minister said. In turn, Interior Minister Fernando Rincon said that the days of Shining Path are numbered, since a group of insane people cannot be allowed to disrupt the democratic order Peruvians have enforced. We have confidence in our armed forces, which have designed a very detailed plan that cannot fail and that will result in the destruction, within a very short time, of Shining Path, the new minister said. In conclusion, Rincon said that the armed forces, the police and all Peruvians have unanimously agreed that the actions by those insane people who foment chaos and terror must be halted as soon as possible.

PRESIDENT DE LA MADRID ADDRESSES NATION

PA050427 Mexico City Domestic Service in Spanish 0200 GMT 5 Jan 83

[Speech to the nation by President Miguel de la Madrid from the Presidential Office -- live or recorded]

[Text] Good evening, fellow compatriots: Now that a new year is beginning, I wanted to say a few words to you and to encourage the Mexican people so that in the midst of the difficulties that we are all experiencing we will face the new year with confidence and optimism. There is no doubt that this will be a difficult year and that we are going to have to redouble our efforts. We adopted difficult measures to overcome the crisis that we inherited from 1982, and these measures have created new problems. But I wanted, from 1 December, to act with firmness and determination, as the Mexican people asked me, instead of seeking the traditional honeymoon of those new governments in which, with slow actions or perhaps indifference, problems are either covered up or tucked away. The situation does not allow us to be tolerant in this fashion. We have to act with determination and firmness. This is what the Mexican people want.

I reiterate my conviction that Mexico has the necessary resources and the will to overcome its problems. That is why I have such a deep trust in Mexico. In the midst of the problems that I admit exist, since as the head of the nation I am the first to deplore and to be affected by them, I would like to highlight a few positive events.

We are recovering from a serious loss of credibility that we had suffered abroad. We have improved the exchange market under the management of our financial institutions. We are reacquiring monetary sovereignty. Our efforts to renegotiate the terms of our heavy foreign debt are progressing. If they give us more time, we will pay. We will meet our debts. We have new lines of financing. We are again beginning to have sufficient foreign exchange resources to cover the imports that we need, the imports that are indispensable to our economy; we have confirmed and expanded credits that will guarantee the necessary imports of foodstuffs and raw materials.

The international community is regaining its confidence in Mexico. This is not merely nationalistic pride or exaggerated patriotism. The nations of this world in which we live are interdependent and to be able to function they have to trade among themselves. Mexico cannot ignore this undeniable fact, but we can remain calm. We will not be subjected to pressures for not having fulfilled our commitments or for being irresponsible in these matters.

As I was saying a moment ago, the Mexican people demanded a firm government that would accept its responsibilities and make decisions. That is why we have taken many actions. I admit this. I announced it on 1 December. All of the measures have been necessary: the cleaning up of public finances; increasing the income from taxes, prices and tariffs; reducing the growth of public expenditures. We have reiterated and clarified our economic program according to the Constitution, without straying from the basic principles of the 1917 Constitution: the administration of the state; a mixed economy; economic freedom for the social and private sectors; democratic planning to organize our national efforts with the participation of everyone; and integral rural development.

We have also fulfilled the unshirkable commitment of our political campaign to begin a moral renewal of society. We have strengthened the legal framework needed to achieve this. There is a new chapter in the Constitution on the responsibilities of public employees. There is the law that regulates this. We public officials and employees, we public servants, are adhering to strict legal standards. Based on this we will act with perseverance and firmness whenever necessary.

We have set new bases for the decentralization of national affairs. We are going to strengthen the municipalities through constitutional reform. We are going to initiate talks with the governors of the states and with the National Teachers Union to decentralize basic education. We will do this without lowering the quality of education and with complete respect for teachers' rights. This week we will be announcing guidelines for the National Health System to decentralize the first and second levels of public health services; that is to say, preventive medicine and the medical care needed for minor ailments. Throughout the year I will continue to announce new programs as they begin to take shape and become feasible.

There is no doubt that inflation is currently the country's most serious problem. Consequently, it will continue to be the main source of our concern within the short term. The plan for economic reorganization and the various measures to protect the staples revolve around this problem. The protection of the weaker classes will be a permanent concern of my government. This involves the protection of the peasants, the workers and the poor.

Jobs -- or better said, the risk of losing a job -- is our other big short-term economic problem. It goes hand in hand with inflation. The unemployment problem is a result of our high inflation. We will soon announce measures to protect the productive sector and to protect jobs. Productive companies deserve the encouragement of our government in order to defend employment and overcome the scarcity of [word indistinct]. The private companies as well as social-sector companies [as heard] will also receive this encouragement. A company is the result of an effort between capital and labor under an organization for common goals. We are going to protect companies because they give us production and jobs.

Regarding the budget, although we have established austerity as its keynote, this doesn't mean that we are not going to spend. It means that we will maintain public services at the level necessary to meet indispensable needs. We will avoid wasteful spending and, of course, we will avoid corruption.

We will soon announce programs for public investment. There will be public investment in 1983 but with the priorities we have mentioned: communications, [word indistinct], roads, railroads, public health, education, hospitals and the continuation of all kinds of projects that were already underway including industrial projects. They will all be part of an important investment program, including the Federal Electricity Commission and other industrial enterprises.

We will announce emergency programs to create jobs in the urban and rural sectors, hopefully in late January. These programs are aimed at fostering employment. They will be implemented in the poor urban areas and in the poorest rural areas.

We are trying to attack the grave crisis we are experiencing within our constitutional system and by strengthening democracy. We are holding talks with political parties, peasant and labor leaders, business figures and media representatives. We are reinforcing the principle of the separation of government branches as well as the principle of cooperation among them.

We have launched a process of changes through public consultation on the reforms needed in our justice system. Regarding the legislative branch, the Mexican people have witnessed that there has been ample respect for the autonomy of its decisions. Most initiatives that I submitted in December were modified and enriched by Congress and I appreciate this very much. Mexico rejects the weakening of democracy [words indistinct]. The economic crisis will be defeated within the democratic system [words indistinct].

The strength of our political and social system (?demand it). I want a firm and strong government but I fully reject an authoritarian government.

A few days ago, we began a program to protect the people's food supply. This program came about thanks to a solidarity pact among workers, businessmen and the government. This national solidarity pact [words indistinct] but the mere fact that we began this commitment to guarantee the production of a package of staples 30 days after the new government took over is very encouraging to me and I am sure that all Mexicans are similarly encouraged. We will not overcome this crisis by promoting struggles and miseries. This crisis will be overcome with the responsible and active solidarity of all Mexicans. We will concentrate our effort on this package of staples. I don't want to distract the attention and strength of the government by having it concentrate on trying to give a wide range of goods and services which may be very attractive in their presentation but very inefficient when it comes to implementing them. We cannot bite off more than we can chew.

We are also beginning the 1982-83 autumn-winter agricultural plan in order to make the best use of our agricultural possibilities. Last year we had brought [word indistinct]. Let us make the most of the water obtained from the rains in the last few weeks. Nevertheless, we are prepared to import the staples that may be needed this year, over and above the efforts made in domestic production. My government will grant priority to food for the people.

We now have a public administration that will allow us to solve our problems with more order and efficiency and with honesty. Democratic planning with the participation of all Mexicans should strengthen our pact of solidarity. I stress that the key to overcoming the crisis is the complete unity of all Mexicans, along with our work and effort, our discipline and responsibility.

There is no doubt, however, that we must change [words indistinct]. We must be efficient; we must double our efforts. We must be more [words indistinct] and not waste the [words indistinct] and we must all be concerned about each other. We must not adopt pessimistic attitudes [words indistinct] social betterment goes a long way in overcoming the crisis.

Let us work efficiently and productively. Let us avoid [words indistinct]. Let us prove to ourselves that we are a vigorous and patriotic people. Despite the crisis we are still a great country. We will continue to be a great country, with abundant natural resources, with a people trained to overcome adversity and to work responsibly and hard. We Mexicans are Mexico's wealth. That is why I tell you again: Mexico will overcome. [Words indistinct] to wish all Mexicans, and the entire country a happy 1983. Thank you.

NEW SECRETARIAT OUTLINES ITS FUNCTIONS

FL042215 Mexico City NOTIMEX in Spanish 0203 GMT 4 Jan 83

[Text] Mexico City, 3 Jan (NOTIMEX) — The new Secretariat of Energy, Mines and Semistate Industry [SEMIP] will allow the country to make better use of its natural resources and operate the state's enterprises with greater efficiency. That is the consensus gathered from the secretariat itself and from the report published in the Federation's official gazette on Wednesday, 29 December. The new secretariat went into operation on 1 January.

SEMIP will head the 500-enterprise semistate sector as well as the 300 trusteeships and organizations. Pemex, the Federal Electricity Commission and Mexican Uranium are among these enterprises.

The present administration intends to purge enterprises under its control to make them more efficient and profitable. Efficiency measures will apply to each and every one of these enterprises while profitability will apply to those enterprises which on the strength of being state enterprises, may be of further economic interest. Therefore the first task of the new secretariat will be to reorganize the aforementioned enterprises, check the worth of many others and get rid of those that are not justified, the secretariat said.

The first policy to be followed by these state enterprises will be to substitute a vast number of goods currently being imported, improve their quality indexes and, above all, to operate in the black. Working jointly with the directors of these enterprises, such as Pemex, SEMIP will coordinate to establish Pemex policy, crude oil production and exportation indexes and the revitalization of the basic petrochemical sector. In sum, the point is to demonstrate that the government is just as good an administrator of its enterprises as the private sector is of its own, the new secretariat stated.

The official gazette's report added that SEMIP will be strengthening the fertilizer industry and, in order to accomplish this, it will coordinate with the rest of the official government offices having responsibilities for food production.

Appointment to New Secretariat

FL042245 Mexico City NOTIMEX in Spanish 2215 GMT 4 Jan 83

[Excerpt] Mexico City, 4 Jan (NOTIMEX) -- The [new] Secretary of Energy, Mines and Semistate Industry, Francisco Labastida Ochoa, today appointed Ruben Bello as director of the National Nuclear Research Institute, replacing Dalmau Costa Alonso.

NEW SECRETARY OF COMPTROLLER GENERAL SWORN IN

FL042030 Mexico City NOTIMEX in Spanish 1130 GMT 4 Jan 83

[Excerpt] Mexico City, 4 Jan (NOTIMEX) -- President Miguel de la Madrid yesterday took the oath of Francisco Rojas Gutierrez as Secretary of the Comptroller General of the Federation. Rojas Gutierrez had been serving as a private adviser to the president since 1 December 1982.

MEXICO DENIES HONDURAS' PAZ BARNICA TO VISIT

FL042320 Mexico City NOTIMEX in Spanish 2225 GMT 4 Jan 83

[Text] Mexico City, 4 Jan (NOTIMEX) -- The Secretariat of Foreign Relations today denied that Honduran Foreign Minister Edgardo Paz Barnica would be visiting Mexico soon to request that Mexico join the forum known as Pro-peace and Democracy for Central America. Foreign Secretariat Spokesman Agustin Gutierrez Canet said that Mexico has no intention of joining that initiative, which was favored by the United States at last year's Costa Rica meeting. He denied that Paz Barnica would be visiting Mexico as announced by an international news agency. Gutierrez Canet noted that last year Mexico presented peace initiatives for Central America before international forums and called on the Governments of the United States, Cuba and Nicaragua to open negotiations in order to settle their problems.

For his part, Marcelo Prieto, Costa Rican ambassador to Mexico, said that Costa Rica's Foreign Minister Fernando Volio has been appointed by the Pro-peace and Democracy Forum to report to the Governments of Mexico and Venezuela regarding results of that Central American meeting.

DE LA ESPRIELLA ADDRESSES NATION 4 JAN

PA050242 Panama City Domestic Service in Spanish 2359 GMT 4 Jan 83

[Speech to the nation by President Ricardo de la Espriella, at Presidential Palace on 4 January; no time given -- recorded]

[Text] I am taking advantage of the occasion of the beginning of this new year to talk to you regarding several aspects of national life. I will try to be realistic and stick to the facts. The government is intent on reactivating the economy and will make every effort to create jobs.

The 1983 budget is a responsible one and attempts to deal with the most decisive aspects of public administration. We should not announce austere budget policies unless they are duly enforced. Therefore, I have issued orders that this year's operations must adhere to the approved budget. During this year subsidies to unprofitable enterprises will be eliminated. We will seek to solve the national unemployment problem. Responding to a longstanding workers' aspiration, we will set the bases for a workers bank. The government will not allow arbitrary handling of the country's available credit resources. In this aspect, the integration of an executive committee is of special importance. This committee, which will be headed by the Ministry of Planning and Economic Policy, will control any request for loans made by any government agency. No financing contract will be made without the committee's approval.

I am intent on having the country avoid any commitment that does not respond to the concrete and real needs of our country's development. After due consultations, and in view of the estimated future price of copper on the world market, the national government has decided to indefinitely suspend operation of the Cerro Colorado mining project, because it is felt that it is not advisable to continue at this time.

Aware that the housing shortage is one of our country's main problems, I have ordered the housing minister to step up housing programs in areas near production and work centers, making the utmost use of all existing infrastructure. This year we will build 13,600 housing units benefitting mostly our low- and middle-income families. New hospitals will be built in San Miguelito, Sona and Colon. These hospitals will jointly represent more than 700 beds. Meanwhile, in the capital, several Social Security medical clinics will be completed and Santo Tomas Hospital will be improved.

Water service will be expanded with the building of 28 new aqueducts throughout the country. The Colon water supply and sewage system will be renovated. The Public Works Ministry will increase its efforts to repair main highways like the Divisa-Las Tablas road, the Central Highway from Chorrera to Capiara, the Rio Hato to Coronado road and the Cativa-Colon stretch of the Transisthmian Highway. Access roads will also be built. Three new pedestrian overpasses will be built in Panama City. Streets and avenues will be broadened so as to ease traffic and prevent traffic jams. A new vast plan to refurbish schools and government buildings will be undertaken.

This administration grants the cattle and farming sectors special importance in national economy. In view of repeated warnings by international organizations about a dramatic shortage of foodstuffs in coming years, we are making great efforts to resolve the country's cattle and farming situation. We must guarantee compensation for those who produce foodstuffs in line with their productive efforts; we must provide them with proper facilities for agricultural production. That is why we are pushing an irrigation program as well as the building of silos and cold-storage warehouses for proper storage of the foodstuffs that we produce.

This year, with international aid, we are forging ahead in a program to finance the production of shrimp and fish farming.

A wholesale supply market will be built in Panama City. This market will be especially helpful in the marketing of agricultural products.

I believe that 1983 should be a year of joint effort for all of us. It should be the joint effort of each and every Panamanian whose social and political maturity tells them, the same as it tells me, how serious our present situation is. Each citizen should fully assume his tax burden as a patriotic contribution toward solving the country's problems. Besides, he should place his work, intelligence and creative initiative at the service of Panama to solve our financial-economic crisis.

Man is undoubtedly a country's best and most authentic asset. That is why we are optimistic about the country's future. Our country is united by that common asset without which we would have a diminished capacity to complete our projects, which will lead to a more prosperous and better developed Panama.

Ours will be a Panama in which, thanks to God and to our people's efforts, we have maintained peace and tranquility. Dialogue is very important as a solution to political and socio-economic problems. We Panamanians have given ample proof of this. We know that resorting to violence is merely an admission of failure.

The common good cannot be obtained through violence because alternatives are discarded and divisions are increased. As president of the republic, I will always be willing to listen to all sectors of Panamanian society. I place this willingness at the service of the people.

We cannot talk of social development without the exercise of equal justice for all citizens. It is imperative that we modernize concepts and procedures that will make the administration of justice not society's revenge, but the positive application of the law. That is why we must urgently make an administrative renovation of the judicial branch.

The government will soon create a bill on administrative honesty, which will lead to the sound administration of the country for the good of all. Government officials, and this includes me, must act with responsibility, honesty. They must be aware that their work is for the common good and not for individual interests. Whoever does not behave in this manner must make way for someone else. I firmly believe that citizens should exercise their capacity for the analysis and evaluation of government operations. Meanwhile, the administration should give the citizenry an opportunity to point out actions that are against the common interest.

I believe that the legislative branch should be more dynamic, speeding up matters that modernize the country's laws; it should act responsibly with a social, civic and patriotic spirit to solve national problems.

This year of joint effort should make itself felt especially in the consolidation of the Panamanian family. The national commission on families reports that the nucleus of our society is in an alarming state. Panamanian men should assume the responsibility of their paternity so as to allow children to grow naturally and healthy, and to allow women their natural role as mothers, without the pressure created by having to shoulder the men's responsibilities. The national government will follow the recommendations made by Conafa, the National Family Council, to seek solutions.

I cannot mention the Panamanian family without referring to the troubling rate of school failures among students. This is also a field of joint effort for home, school and government, all taking positive action together to bolster the most promising sector of our country's population. This does not exclude the student's own commitment to make the utmost use of the educational facilities afforded to him.

Panama will not cease in its determination to have the Torrijos-Carter *treaties* fulfilled to the letter. I am sure that the people and government will not give in an inch until the parties fulfill all the points agreed upon. Following the dreams of a man whose ideals are still with us, we are working on projects in reverted areas to establish several public-service infrastructures, like the supply market, an overland transportation terminal, public dormitories, central customs offices and warehouses, the new headquarters for the garbage department and the municipal incinerator as well as a large national park.

In its international policies, Panama will continue the same independent position which has earned this nation the respect of the world community. The government closely follows all international events, particularly those that affect countries in the area. As president, I am greatly concerned about all these matters, which lead me to give special attention to our country's domestic situation.

The year 1983 promises to be a period of intense political activity. We must maintain a proper climate to maintain our stability, peace and order. I am determined to fulfill the basic commitment to guarantee broad, free, clean and honest elections. However, in order to do this, we not only need the participation, but also the worthy and responsible contribution of all political parties and sectors and of each and every citizen.

Just as authorities are dutybound to respect all tendencies and theories, all groups and individuals must respect other people's right to express their opinions and defend their political ideas and concepts. We would lose the social peace and security, the order and collective stability of which we are so proud if we allow ourselves to be carried away by partisan or personal passions. Verbal violence might lead us to the disaster of physical violence.

I am sure that the media have an undeniable responsibility in maintaining peace by reporting the truth without offenses or insults, with patriotic responsibility, without resorting to the tactic of the deliberate lie, without abusing words and using ill-intentioned propaganda that produces tension, annuls dialogue and encourages aggressiveness. Their mission should be limited to responsibly orienting public opinion with the greatest objectivity and bearing in mind each one's rights. Now more than ever, when we start this period, we must maintain a balance.

I am proposing to all those who are listening to me now, and those who will read this message later, to conduct a united opposition. Let us jointly oppose hunger and ignorance, selfishness and lies, misery and injustice. That is the opposition with which we should identify ourselves, and not the opposition of selfish personal and party interests. If we all join in that opposition, all Panamanians will march together toward prosperity, and the reaffirmation of peaceful coexistence.

I trust in the people that I govern, because I am part of that people. The post that I hold today is a circumstantial post, but the homeland is everlasting. I, like you, grant it the preferential place it deserves.

I invite you to work together for Panama. Thank you.

FORMER PRESIDENT ROYO TO BE INVESTIGATED

PA042201 Panama City LA PRENSA in Spanish 4 Jan 83 p 1 A

[By Vladimir Sandoval]

[Text] LA PRENSA learned yesterday that Attorney General Rafael Rodriguez has sent a note to Plinio Castillo, assistant district attorney of the first legal district, asking him to investigate former President Aristides Royo in connection with certain actions carried out during his administration.

According to Castillo, the attorney general has sent a note calling for an investigation to determine if Dr Royo's actions while in office constitute a violation of our current penal code.

Royo, who was appointed ambassador to Spain by the present government, will be investigated in connection with his decree regarding the deportation of a Korean citizen charged with murdering several German citizens on board a Panamanian ship. The Korean was deported after having been turned over to the national authorities.

Dr Royo is also charged with expelling several individuals who were on trial for common crimes. Royo is accused of having taken such action independently of our authorities. Dr Royo may be investigated for abuse of authority since in order to decree the expulsion, he should have obtained an order from the appropriate judicial authority.

According to Castillo, if former President Royo's actions are found to violate our penal code, he might be summoned by the national authorities to answer for these actions.

In addition, it is being said in political and legal circles that Dr Royo might be prosecuted for mishandling Social Security funds, since several officials of his administration are seriously implicated in this crime. However, both Dr Carlos Cuestas and Castillo have denied such rumors.

PUERTO ARMUELLES BANANA SHUTDOWN UNDER STUDY

PA302219 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Dec 82 pp A1, A10

[Text] The Chiriqui Land Company will apply the principle that an "inactive plantation is a forsaken plantation" to Puerto Armuelles; therefore, it will close all those plantations it considers impediments to the region's development. In view of the serious crisis affecting banana marketing as well as the pressure from groups that constantly and often unnecessarily interrupt production with strikes, the Chiriqui Land Company has been compelled to close down some plantations, particularly in the Puerto Armuelles area, where the situation has become very complex and is therefore causing losses to the company as well as to the government.

In talks with representatives of this newspaper, Bobby Walker, United Brands vice president of production for Central America and Panama, showed concern over the situation in view of the fact that the United Brands home office is considering closing down its Chiriqui Land Company operations, Puerto Armuelles division, due to the high production costs, low sales on the international market, the unnecessary pressures of the workers and the Panama Canal toll charges to company vessels.

Closing down the Chiriqui Land Company operations in Puerto Armuelles will leave some 6,000 workers jobless.

According to Bobby Walker, the only way to remedy the situation in the area is through a joint effort by the state, the workers and the company; otherwise, banana production in Puerto Armuelles will shut down and many people will unfortunately be left without jobs. The company, he explained, is looking for a way to avoid closing, but this will require the cooperation of the workers and the government to save one of the company's divisions that has the highest production costs.

Packing workers have lately interrupted the operation with work stoppages and, in some cases, production slowdowns, thus causing the company to announce that the workers will not be paid tomorrow. Last week's strike promoted by the packing workers caused the company to lose 375,000 balboas. The state lost 180,000 balboas in taxes.

To avoid closing the Puerto Armuelles division, Walker reiterated, it is necessary to rely on the cooperation of the three most important forces: in this case, the state, the company and the union, all of whom could, in harmonious cooperation, remedy the situation. Otherwise, the shutdown is inevitable.

Some 800 workers should be paid on Friday, but having stopped operations to the detriment of the company and the state, the company is forced to stop payments. The production instability and the serious situation on the international market has worsened the situation. Walker said that "if they insist on striking, we will not be able to continue operating."

The Chiriquí Land Company has operated in the Puerto Armuelles region since 1928. Some 6,000 persons benefit directly from the company's operations. The monthly payroll is 2 million balboas. At present, 5,000 hectares are under cultivation.

In view of the seriousness of the situation, the national government has asked the company to continue operating for an additional 90 days to give time to study the problem as well as to avoid personnel reductions. This period expires in late March.

Every year, the Puerto Armuelles operation exports 12 million boxes of bananas and the union receives 180,000 balboas in dues from the workers.

In similar situations in countries like Ecuador and Colombia, the state gives subsidies to guarantee production and employment.

It is believed that the upcoming union election, scheduled for January, could be a determining factor in the present conflict.

BRIEFS

TAX COLLECTION FOR 1982 -- "The government registered a record collection of taxes during December -- 118.4 million balboas -- to surpass by 12 million balboas the estimated figure of 106.4 million balboas, a report from the Ministry of Treasury revealed. Collections for 1982 totalled 848.6 million balboas, or almost 2 million over the estimated figure of 846.7 million balboas, the report added. [Excerpt] [Panama City STAR AND HERALD in English 4 Jan 83 p 1 PA]

NEW SUPREME COURT PRESIDENT -- Americo Rivera Lorenzo was today unanimously elected president of the Panamanian Supreme Court of Justice for a period of 2 years. Rivera Lorenzo's election occurred during a closed-door plenary session. Rivera Lorenzo replaces Gonzalo Rodriguez Marquez. [Panama City Televisora Nacional in Spanish 2300 GMT 3 Jan 83 PA]

COSTA RICAMONGE EXPLAINS ATTITUDE TOWARD SOVIET AMBASSADOR

PA041530 San Jose LA NACION in Spanish 24 Dec 82 p 2-A

[Excerpts] President Luis Alberto Monge has charged that Nicaragua's leaders are completely aligned with the Soviet Union. This is why he told the new Soviet ambassador here that the Sandinist commanders' behavior is affecting Costa Rica's relations with the socialist world. The president explained yesterday in Tres Rios, where he dedicated a residential area of 41 houses.

Aligned

Monge explained to newsmen why he raised Costa Rica's current problems with Nicaragua with the Russian ambassador. He recalled that he met with a Soviet envoy several weeks ago and told him exactly the same thing: The conduct of the nine commanders in charge of Nicaragua's fate is affecting the normal relations between Costa Rica and the Soviet Union, because they continue to demonstrate a hostile and aggressive attitude toward our country.

He added that he pointed this out because "the commanders have unquestionably proven their total alignment with the Soviet Union and we believe that they [the USSR] can have a beneficial influence on the Nicaraguan leaders," the Costa Rican president stressed. According to Monge, his government's foreign policy is basically pluralistic, which means that it does not accept a given ideological doctrine.

He added that this philosophy is a modest means of helping to reduce tensions and to achieve peace in the world. However, he added, "we now face an administration that is not showing any signs of wanting to live in civilized and respectful coexistence. This is the case with Nicaragua."

ECONOMY MINISTER LOPEZ DISCUSSES AREA DEBT

PA041401 San Jose LA NACION in Spanish 27 Dec 82 p 2-A

[Excerpts] According to data provided by the Economy and Commerce Ministry (MEC), the Central American countries owe Costa Rica a total of \$130 million. Of this amount, Nicaragua owes \$75 million. Commenting on this, Economy Minister Marco Antonio Lopez said that Nicaragua's debts date back to 1980. In truth, he explained, the advantage of continuing to export to that country without the existence of an adequate mechanism for payment has been questioned.

He added that Costa Rica currently maintains a favorable trade balance with all of the area's countries, including Guatemala, which has traditionally been the leader within the CACM. In the last 2 years, this balance has totaled \$70 million. He admitted, however, that in practical terms this is only on paper, because of the amounts that both El Salvador and Nicaragua owe Costa Rica. According to him, no payment problems exist with other nations.

He added that more than 15 meetings have been held in the area at the level of both ministers and deputy ministers. In his view, it is because of these talks that Costa Rica has been able to maintain its regional trade, despite the fact that exchange measures have had to be negotiated with Central America and Panama.

According to the official, the reestablishment of institutionality within the CACM and the talks among the economy ministers and deputy ministers are intended to strengthen trade in the isthmus. Finally, he said that the next meeting with his counterparts will be held in San Jose in February.

EL SALVADORGOVERNMENT, U.S. EMBASSY DENY MEETING WITH UNGO

PA041922 Paris AFP in Spanish 1641 GMT 4 Jan 83

[Text] San Salvador, 4 Jan (AFP) -- Guillermo Ungo, president of the opposition's Democratic Revolutionary Front (FDR), was apparently in San Salvador over the weekend and met with government officials and U.S. Embassy representatives, according to EL DIARIO DE HOY, of this capital.

A U.S. Embassy spokesman, however, in a statement to AFP, said that "such information is ridiculous" and added that Ambassador Deane Hinton did not meet with the Salvadoran leftist leader. In the information published today, the newspaper claimed that Ungo met with Hinton on Sunday and with Salvadoran President Alvaro Magana on Monday.

The two reports were emphatically denied by a presidential spokesman. "This is just another rumor intended to confuse public opinion," the spokesman said. He pointed out that President Magana has clearly stated that there will be no dialogue with the armed opposition.

The unofficial sources quoted by EL DIARIO DE HOY indicated that Ungo's presence in El Salvador was the result of efforts to achieve negotiations between President Magana's government and the leftist forces.

There are conflicting views in El Salvador as to this possible dialogue. While the Catholic Church, the Christian Democrats and other sectors favor such a dialogue, other sectors strongly oppose the idea, particularly the rightist parties and the armed forces. On several occasions, Defense Minister Guillermo Garcia has declared that there is nothing to negotiate with the "terrorists," who have repeatedly been asked to lay down their arms and to join in the process leading to the elections scheduled for March 1984.

HAVANA REPORTS FMLN KILLED 13 IN AMBUSH

PA042328 Havana International Service in Spanish 1800 GMT 4 Jan 83

[Text] Eleven soldiers and two members of Salvadoran paramilitary groups were killed in an ambush set up by the guerrilla forces in the town of Tecoluca, San Vicente Department. During the ambush, the rebels recovered five G-3 rifles and a large quantity of ammunition.

FMLN guerrillas also attacked eight farms owned by the Salvadoran oligarchy located north of San Salvador. It was also reported that La Paz Department continues without electricity as a result of rebel sabotage of towers and power stations.

GUATEMALAHAVANA REPORTS GUERRILLA ACTIONS AGAINST ARMY

PA041755 Havana International Service in Spanish 0000 GMT 4 Jan 83

[Text] Fourteen Guatemalan soldiers were killed last Saturday when guerrilla forces ambushed a military convoy on the highway from Quezaltenango to Retalhuleu. A communique issued by Gen Efraim Rios Mont's regime confirmed that two officers and eight [as heard] soldiers were wounded in the ambush, the first important action carried out by the Guatemalan guerrillas this year. The Guatemalan Army also reported that a soldier [number as heard] was wounded during an armed clash with rebel groups near Puerto Barrios, Izabal Department.

The primary Guatemalan labor unions, meanwhile, released a letter in Mexico charging that 50,000 families are being affected by military repression, while thousands of peasants have died in Guatemala as a result of napalm attacks. The charge, made by the Autonomous Labor Federation of Guatemala and the National Federation of Workers, noted the huge difference between wages and living costs and declared that Gen Efraín Ríos Montt's regime is essentially a continuation of Lucas García's dictatorship.

In addition, the Armed Peoples Revolutionary Organization, affiliated with the Guatemalan National Revolutionary Unity, revealed that the Guatemalan Armed Forces High Command has made a deal with a group of powerful Guatemalan businessmen to obtain \$70 million with which to fight the guerrillas. It added that the businessmen include Juan Francisco Reyes, (Juan Miguel Ferro Duarte), (Juan Maegli), (Mario Granai), (Ernesto Rodríguez Briones), (José Toledo) and (Carlos Pringle).

HONDURAS

NICARAGUA ACCUSED OF BLOCKING NETWORK NEWSCASTS

PA042109 San Pedro Sula LA PRENSA in Spanish 3 Jan 83 p 14

[Text] The Nicaraguan Government has been interfering with the broadcasts of Honduras' two most important radio networks: Voz de Honduras and Radio America. There is clear evidence of this. In recent days, the Sandinists have been using a transmitter to interfere with the broadcasts of national networks, particularly at the times of newscasts.

Throughout the western part of the country it is being reported that when these two radio networks are airing their newscasts, a strange sound interferes with the transmissions. Once the newscasts are over, the sound disappears.

Here in the capital, the interference has been confirmed by the managers of both networks. The interference is so strong that the two networks' repeating stations in western Honduras lose their local efficacy.

The interference is more obvious when the radio stations have news on "decisions by the Sandinist government" in favor of [as published] the Nicaraguan people, according to reports.

The same situation is taking place, but to a lesser extent, in the country's southern and eastern regions, where Radio Sandino and La Voz de Nicaragua are heard as if they were local stations.

It is taken for granted that the interference is being produced by a transmitter of between 10,000 and 15,000 kw [as published] on a hill near the Gulf of Fonseca, inside Nicaraguan territory.

The radio signal from Nicaragua appears the moment newscasts begin and disappears once the newscasts are over. There is no interference with musical programs or with any other kind.

According to reports, this violation of Honduras' radio sovereignty is intended to prevent Honduras radio broadcasts from being heard clearly in Nicaraguan territory.

REFUGEE COORDINATOR NOTES RECENT LARGE INFLUX

PA042030 San Pedro Sula LA PRENSA in Spanish 3 Jan 83

[Text] Tegucigalpa -- Col, Ret, Abraham García Turcios, coordinator for the refugees in Honduras, has said that 2,000 Nicaraguan refugees entered Honduras at various border points last month.

Garcia also said that as a result of continuous arrivals this season, there are 21,000 displaced Nicaraguans, a considerable number of people. He noted that there will soon be another refugee camp, so that better attention may be given these people, who enjoy government protection.

Finally, he said that refugees will be transferred from the border region next month, in line with programs for this purpose.

PAZ BARNICA PLANS VISIT TO MEXICO, VENEZUELA

PA050135 San Pedro Sula TIEMPO in Spanish 3 Jan 83 p 15

[Text] This month Honduran Foreign Secretary Edgardo Paz Barnica will visit Mexico and Venezuela in an effort to have those countries join the Forum for Peace and Democracy.

Paz Barnica is in charge of coordinating the forum's next meeting. The forum was created in San Jose, Costa Rica, in October. Its next meeting will be aimed at getting President Miguel de la Madrid and Luis Herrera Campins to join this pact.

Besides the efforts being made to incorporate Mexico and Venezuela, the participation of other countries is also being sought, especially Caribbean-area countries.

The participation of the Mexican and Venezuelan Governments, and of some Caribbean countries, is thought to be feasible because they have expressed their concern over the tension in Central America. Several months ago, Mexico and Venezuela made efforts to open talks between Honduras and Nicaragua.

At the next meeting of the Forum for Peace and Democracy, all initiatives aimed at detente in the area and presented by various governments will be discussed. One of the main initiatives is the one presented by Dr Roberto Suazo Cordova, which includes such points as reducing the number of foreign advisers, ending the arms buildup and measures designed to achieve those goals.

NICARAGUAN ENVOY ON SUAZO, PAZ BARNICA VISIT

PA042308 Tegucigalpa Cadena Audio Video in Spanish 2104 GMT 4 Jan 83

[Station reporter (Soriano's) telephone interview with Guillermo Suarez Rivas, Nicaraguan ambassador to Honduras -- live]

[Text] [Question] President Roberto Suazo Cordova has paid a special visit to His Excellency Dr Suarez Rivas, Nicaraguan ambassador to Honduras, who is very well known in Honduran and Central American diplomatic circles. We asked the ambassador about the main topic of his conversation with the Honduran president. Mr Ambassador?

[Answer] I have had the great honor of having His Excellency Dr Roberto Suazo Cordova, president of Honduras, visit me at my home. Dr Suazo was accompanied by His Excellency Dr Edgardo Paz Barnica, the Honduran foreign secretary. I would like to stress that this was just a courtesy visit on the occasion of the new year. I want to take the liberty of saying that this is a highly democratic manner in which the president of the republic, using the art of communication, manages to elicit a willingness toward dialogue, an opening toward dialogue, from the ambassadors accredited to this fraternal country.

[Question] Does this visit by President Suazo Cordova mean that relations are cordial, as they have been termed in Nicaragua, and that there is a desire for tranquillity in the Central American area?

[Answer] We have always said and continue to maintain that our two countries are disposed toward dialogue and want to seek adequate formulas to solve the existing problems.

[Question] Mr Ambassador, the Honduran people would like to know, via Radio America, a few more details of the good will visit, the courtesy visit that the president has made, along with Foreign Secretary Paz Barnica. Logically, in the midst of these talks, in the midst of the courtesy and diplomacy, basic topics regarding the communication between Honduras and Nicaragua were broached. What can you tell us about this?

[Answer] Well, this was a reiteration of the president's desire to implement the necessary mechanisms for communication.

[Question] There is another important subject, Mr Ambassador. The media constantly reports, and this station has provided specific details, that members of Nicaragua's Sandinist army violate our borders, kidnap Nicaraguans on the borders and so forth. Naturally, during these brief visits such subjects cannot be discussed; however, did the Honduran president mention anything about this?

[Answer] Not at all, not at all. During such a cordial, friendly and warm meeting there was no room for discussing such topics. I would like to thank you very much for calling me... [reporter interrupts]

[Question] Mr Ambassador: You will naturally inform the ranking authorities in Managua of this visit seeking true peace in Central America, won't you?

[Answer] Well, as I said from the very beginning, this was a courtesy visit.

[Question] Mr Ambassador, doesn't this visit demonstrate Honduras' desire to internationalize peace?

[Answer] This meeting reflects the mutual aspiration for peace. We have to make efforts each day to achieve this peace because our developing and underdeveloped countries have problems that can only be solved if those problems are attacked by us all.

[Question] Does this mean, Mr Ambassador, that now that it is 1983 the Nicaraguan Government is going to tell the world that it has a desire for peace similar to that of Honduras?

[Answer] We are persevering in our struggle for peace, so much so that from 10 to 15 January a meeting of Nonaligned Movement foreign ministers will be held in Managua. This meeting is indicative of moral support for the Nicaraguan Government and people as well as of our firm determination to struggle for peace. I thank you very much for this call, Mr (Soriano), and I wish you the best.

SALVADORAN FOREIGN MINISTER TO VISIT 10 JAN

PA041937 Tegucigalpa EL HERALDO in Spanish 3 Jan 83 p 3

[Text] Salvadoran Foreign Minister Fidel Chavez Mena will visit Honduras on 10 January to continue the dialogue on the border issue. The Salvadoran border demarcation commission has fallen behind in its work because it has not shown up for working meetings agreed on with the Honduran commission. Instead, the Salvadoran commission has offered justifications for not attending some meetings scheduled to take place in border areas, particularly in areas where guerrilla groups operate.

The Salvadoran commission members fear that armed incidents may occur in areas that must be delineated. This the reason for the delay in the border demarcation work, a Foreign Affairs Department spokesman has reported. The Salvadoran foreign minister will continue his talks with his Honduran counterpart in an effort to accelerate the two commissions' work.

FPR ISSUES FIRST INTERNATIONAL BULLETIN

PA042221 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jan 83

[Text] The Honduran People's Revolutionary Forces, FPR, charged yesterday that the Honduran Government wants to involve the people in an interventionist adventure against the Sandinist revolution as well as against the Salvadoran and Guatemalan people who are struggling for their liberation. In its first international bulletin issued in this capital city, the FPR states that Roberto Suazo Cordova's government has accepted the role of overseer and guardian of U.S. interests in the area.

The economic policy implemented by the current regime is directed against the working class and at least three generations of Hondurans have been condemned to continue paying the [word indistinct] debts that the government has contracted with U.S. credit agencies.

In its communique, the FPR demanded the release of FMLN Commander Alejandro Montenegro who was arrested by the Honduran repressive forces on 22 August in Tegucigalpa. His whereabouts are currently unknown.

NICARAGUA

HAVANA: ORTEGA ON UPCOMING NONALIGNED MEETING

PA041952 Havana International Service in Spanish 0000 GMT 4 Jan 83

[Text] Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction of Nicaragua, has indicated that his country will insist at the upcoming Nonaligned Movement Coordinating Bureau meeting that Central America's problems require a political, rather than military, solution.

In a statement to the Mexican daily EL NACIONAL, Ortega said 49 nations have confirmed that they will attend the meeting, to be held 10-14 January in Managua. He added that the occasion gives the Nicaraguan Government the opportunity to reaffirm the need for a new international economic order.

Daniel Ortega, who is serving as the president of the preparatory committee for the nonaligned meeting, also stressed that Nicaragua will urge the international community to pressure U.S. President Ronald Reagan's government for a political solution to the Central American conflict.

ARMY REPORTEDLY DISMANTLES GUERRILLAS' CAMP

PA042140 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jan 83

[Text] Regional military chief Capt Jaime Agurcia has reported that a counterrevolutionary camp located on (El Cipres) hill, 17 km from Ocotal, was destroyed by border guard troops of the Sandinist Peoples Army [EPS]. Agurcia said that the counterrevolutionary camp, called the Nicarao operational base, lodged more than 180 men who were divided into seven tactical detachments and had a large arsenal of U.S.-made war materiel.

Agurcia revealed that, even though no reliable information is yet available, it is estimated that the counterrevolutionaries suffered many losses. On the Sandinist army's side, only one man was slightly wounded.

Captain Agurcia also reported that in La Victoria, in San Lucas municipality, Madriz Department, the EPS disbanded a group of some 30 former Somozist guardsmen. On 31 December this group had tried to take over the settlement of Las Sabanas, near the Honduran border. During this action, five counterrevolutionaries were killed.

Weapons were recovered on (El Cipres) hill, including an 81-mm mortar, four AK rifles and three boxes of .50-cal ammunition. In addition to the weapons, other items were found including blankets, cooking utensils, hats, civilian clothes, bags of coffee and salt produced in Honduras, a report on the logistic inventory kept at the counter-revolutionary camp's control post and Honduran residence papers. Pamphlets with bible verses and printed material from the Somozist organization, Nicaraguan Democratic Front, FDN, were also found.

LEON COURT SENTENCES 10 COUNTERREVOLUTIONARIES

PA041802 Havana International Service in Spanish 0000 GMT 4 Jan 83

[Text] Ten members of a counterrevolutionary group that was plotting sabotage actions and attacks in Leon Department in support of the former Somozist bands that are attacking Nicaraguan territory from Honduras were sentenced to terms ranging from 4 to 27 years by a Nicaraguan court. The longest sentence was drawn by (Bernado Moncada Miranda), chief of the band, who is to serve 27 years. All of the defendants admitted their guilt at the trial, held in a criminal court in Leon.

Meanwhile, it was reported that over the weekend counterrevolutionary elements kidnapped 67 Nicaraguan citizens, mostly children, and took them into Honduras.

BRIEFS

SOVIET SCIENTIFIC MISSION -- An important delegation of Soviet scientists arrived in Nicaragua yesterday to exchange views on developments in the meteorology field and to increase the ties of friendship. The delegation is led by Yuriy A. Izrael, chairman of the State Committee for Hydrometeorology and Enviromental Control and vice president of the World Meteorology Organization. Upon arriving, Yuriy Izrael said that the delegation plans to work hard to get to know the national meteorology service and to lay the groundwork for future cooperation agreements. The delegation also includes (Sergio Khodkine), (Mihail Zalikhhanov), (Oskar Gorodetski) and (Aramais Petrossiants). [Managua EL NUEVO DIARIO in Spanish 29 Dec 82 p 12 PA]

PCC CENTRAL COMMITTEE ISSUES RESOLUTION

FL042000 Havana Domestic Service in Spanish 1145 GMT 4 Jan 83

[Text] The sixth plenum of the Central Committee of the Communist Party of Cuba [PCC] -- has approved a resolution concerning the 30th anniversary of the assault on the Moncada Garrison. The text of the declaration was published in today's edition of GRANMA.

The resolution says that 26 July 1953 opened a new phase in the history of our country, a phase which concluded after the liberating actions which started with the 1868 and 1895 wars of independence and the battles waged by our people throughout the neocolonial republic against tyranny, robbery, imperialist domination and for the conquest of true democracy and social justice. The path to follow, the revolutionary movement, program and leader emerged from the attack on Moncada.

The sixth plenum of our party's Central Committee says that up on this celebration of the 30th anniversary of the attack on the Moncada Garrison and the 130th anniversary of the birth of Jose Marti -- the man intellectually responsible for the attack -- the PCC Central Committee calls on the working class, peasants, students, FAR and Interior Ministry members, men, women, young and old, and all the people to celebrate these glorious events by putting greater effort into production and a more active participation in the defense of the socialist fatherland.

Upon the 30th anniversary of the assault on the Moncada Garrison, the PCC Central Committee calls for greater efficiency in the fulfillment of production and service programs in the economic field and savings in fuels, electrical energy, lubricants and raw and other materials, particularly those from the capitalist countries. It also calls for an all-out effort for the recovery of raw materials; the eradication of unnecessary use of energy; great zeal in saving every gallon of fuel; great efforts in fulfilling the planned programs in all areas of the labor or enterprise sector by using the minimum possible amount of imported products, particularly the saving of every drop and every gallon from the thousands of tons of oil that must be saved.

The most important economic activity of the country is the harvest of sugarcane and this is why it is necessary to take advantage of every possibility, to make the greatest effort to produce sugar with greater efficiency, to fulfill, with a surplus, the technical and economic plan and to increase oil savings, particularly in the production of refined petroleum products and in the transportation sector.

Sugarcane sowing, fertilization and irrigation must be carried out on schedule. The maintenance and repair program of machinery for the sugarcane industry will also become one of the most important activities of this year, the year of the 30th anniversary.

The resolution of our party also calls for a continuous effort in giving impetus to the broad movement of health workers, particularly the service of doctors and specialists in rural and municipal hospitals. It also calls for the best selection of medical students and the improvement of their professional, political and moral educational programs, for the better treatment of patients in clinics and hospitals and their more effective participation in teaching and scientific tasks in order to guarantee a sustained improvement in medical attention and in teaching medicine for the purpose of fulfilling the goal set by Fidel: to become a world power in medicine.

The resolution also exhorts people to continue improving the level of organization, to continue the development of the Territorial Militia and the military registry system, to strengthen the capacity to carry out mobilizations, and the combative readiness of the FAK and Interior Ministry members as the basis for preserving the gains achieved by our people in the face of the provocations of U.S. imperialism.

The Central Committee emphasizes the validity of the Politburo resolution addressed to the grassroot organizations of 12 July 1979 calling for struggle in the demand for discipline, for intransigence, efficiency and for the strengthening of the party's political and ideological tasks at all levels.

The PCC Central Committee exhorts all people to make the fulfillment of these decisive tasks -- in honor of the 30th anniversary of the assault on the Moncada Garrison -- Become, during 1983, the best homage to those who gave their lives on 26 July.

BRIEFS

AMBASSADOR TO BENIN APPOINTED -- The Council of State has appointed Comrade Carlos Castillo (Calanas) as Cuba's ambassador to the People's Republic of Benin. At the time of his appointment, Comrade Castillo (Calanas) had been fulfilling the post of department chief in the Foreign Ministry. [Havana Domestic Service in Spanish 2230 GMT 4 Jan 83 FL]

BARBADOSPRIME MINISTER ADAMS DISCUSSES ECONOMIC ISSUES

FLO31457 Bridgetown CANA in English 2240 GMT 2 Jan 83

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Jan 2, CANA -- Barbados prime minister, Tom Adams, has called on citizens to be more self-reliant to ease the pressure on government in view of present economic difficulties.

"...the economic realities of the times and the presence they have placed on governments finances demand that we return to many of the self-help and pooling of resources," Mr Adams said in a New Year message last night.

The prime minister said the idea of self-reliance could be developed in the community, particularly in the provision of many of the facilities needed for its day-to-day running. Government, he added, would announce initiatives in this regard during the year. Mr Adams said though the world outlook for 1983 was one of continued economic gloom, he had confidence in the ability of Barbadians to triumph over the circumstances.

"Barbados has always been able to recover from problems and to rise to new heights, no matter what the pressures. I have every belief that that confidence, that pride, that self-respect is still intact...", the prime minister remarked.

Mr Adams announced that phase two of the much vaunted National Health Service (NHS) -- billed to make health care cheaper and easier to obtain by the poor -- would come on stream during 1983 and that there would be a small increase in national insurance contributions to shoulder the costs of the programme.

Phase two of the NHS, which will eventually provide all citizens with free medical attention from the doctor of their choice, will first be introduced for persons over 65 years old, the prime minister said.

Phase one of the scheme, which will be run by a board to be set up, involved a national drug plan.

Among government's plans for the new year, Prime Minister Adams said some 1.8 million dollars (one Bds dollar; 50 cents U.S.) had been approved for road improvement in six of the island's 11 parishes. He announced that a new primary school would open in September and the Arawak cement plant, a joint venture between Barbados and Trinidad and Tobago, would start operations around year-end.

Comments on IMF Credit

FLO31535 Bridgetown CANA in English 2139 GMT 2 Jan 83

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Jan 2, CANA -- Barbados last night indicated it had passed one of two end-of-quarter economic performance tests set by the International Monetary Fund (IMF) as a prerequisite for obtaining balance of payments support over the next 16 months.

In a nationally broadcast New Year message, Prime Minister Tom Adams said he had been informed that the Central Bank was well below the 111 million dollar (one Bds dollar; 50 cents U.S.) ceiling the IMF had permitted for the island's net domestic assets at December 31, 1982.

"...the Central Bank tells me that we have reached only 42 million dollars so that we were under our ceiling by a margin of more than 70 million dollars, Mr Adams, who holds the finance portfolio, said.

The prime minister however did not say if the net credit of the banking system to the non-financial public sector was within the 180 million dollar limit at the end of December as the IMF had stipulated.

Barbados agreed to enter a 70 million dollar stand-by arrangement with the Washington-based lending agency last August after there had been a decline in government revenues from the three major cash earners -- tourism, sugar and manufacturing. The IMF economic assistance programme runs until April 30, 1984.

The Barbados-IMF deal has come in for criticism from the official opposition here. The controversy escalated last week when shadow Finance Minister Dr. Richie Haynes published the terms of the stand-by arrangement and the letter of intent to the IMF, signed by Prime Minister Adams and Central Bank Governor Dr Courtney Blackman.

Prime Minister Adams told citizens that his government had agreed to seek finance from the IMF because it was a cheaper source than commercial banks in view of their high interest rates.

"The mere application to the IMF frightens the public. But it does not have to like this. The IMF is a source of cheaper money than can be got elsewhere and this was our main interest," he said.

Mr Adams denounced opposition claims that alleged mismanagement by his government was responsible for the island's economic difficulties. He denied too that a devaluation of the Barbados dollar and increased taxation were among the conditions for the IMF aid.

"All the fund has asked Barbados to do in order to draw down a further 50 million dollars (out of the 70 million dollar package) between now and April 1984 is to meet what are known as performance targets," the prime minister said.

Mr Adams reported "some success" as a result of policies pursued by his government since entering the IMF arrangement. The Central Bank's foreign reserves had since risen to a record level of equivalent of more than three months imports, he said.

CDB'S DEMAS COMMENTS ON BANK'S 1982 OPERATIONS

FL302245 Bridgetown CANA in English 2209 GMT 30 Dec 82

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Dec 30, CANA -- The Barbados-based Caribbean Development Bank (CDB) today forecast that the downturn which characterised regional economies during the past 12 months would continue in 1983.

But CDB President William Demas said the new year offered "somewhat brighter prospects" for a turn-around in the present economic trend because of three developments -- a drop in international interest rates, the stabilisation of oil prices, and the weakening of the United States dollar against other major world currencies.

In a review of the bank's activities for 1982 at an end-of-the-year press luncheon, Mr Demas said the 12-year-old regional lending institution had approved 57 million dollars (U.S.) during the year, but total disbursements had amounted to 49.5 million dollars.

These figures are preliminary and are subject to change in the CDB's final 1982 report.

The lesser developed countries (LDCS) of the Caribbean continued to be the major beneficiaries of CDB aid during 1982, with 48 per cent of total funds approved during the year allocated to them. The bulk of these funds were on concessionary terms.

Mr Demas said of the 57 million dollars in gross financing approved by the bank, 55.8 million dollars was in the form of loans and equity investments to 30 projects, while the remaining 1.2 million dollars was for 24 grant-financed projects.

Net loan and equity approvals, after cancellations, amounted 51 million dollars, compared with 48.3 million in 1981, representing an increase of six per cent.

"The slow growth was mostly due to the economic problems facing the bank's borrowing members with investment demand in the private sector not regaining buoyancy and the fiscal and balance-of-payments problems retarding the capacities of the borrowing governments to take on new projects," the CDB president said.

Out of the 49.5 million dollars disbursed, 72 per cent were "soft" funds, while the remaining 28 per cent were categorised as "hard" funds.

Cumulative approvals of loans, equity and grants (net of cancellations) and of disbursements at the end of 1982 amounted 412 million and 285 million dollars respectively during the CDB's 12 year existence.

The regional private sector, in gross approval terms, benefitted either directly or indirectly from 16 million dollars in financing or 20 per cent of total approvals for the year, compared with 18.2 million or 31 per cent in 1981.

"The private sector has on the whole not been bouyant in the region, and this has been so far a decade now. Such a state of affairs retards the bank's performance in financing the sector," Mr Demas said.

GRENADA

MAURICE BISHOP ADDRESSES DOMESTIC MEDIA HOUSES

FL011235 Bridgetown CANA in English 2130 GMT 31 Dec 82

[Text] St Georges, Grenada, Dec 31, (CANA) -- Grenada's prime minister, Maurice Bishop has urged journalists at the state-owned media houses here to be more professional and dedicated, serious and conscious of their work during the new year.

Addressing government-employed journalists at a ceremony last night, Mr Bishop said that in 1982 he had observed that the four media houses -- Radio Free Grenada, Television Free Grenada, the FREE WEST INDIAN newspaper, and the Government Information Service (GIS) -- had taken on a more professional approach.

But he called for more professionalism in 1983 saying that in the new year there was a need for more creativity, planning, discipline, and higher levels of commitment, greater political awareness and more usage of all opportunities of training offered to the media.

He said these things were required in 1983 because that year would be the fourth anniversary of the Grenada revolution which brought to power his New Jewel Movement (NJM), he told the journalists: "We have to ensure that our own standards rise accordingly."

He told the workers that in the new year the media houses needed to put into their work plans "the kind of news that we would like to see on the television, that we would like to hear on the radio and in the FREE WEST INDIAN, and what we would like to get out to the region through the GIS."

However, Prime Minister Bishop, who is also the minister of information, expressed dissatisfaction in the manner in which the media houses were covering news related to workers. He said that "if the working class is the most important class in our country as it is, then we have to report the struggles of the working class."

"We have to report their achievements, strides in production and productivity, as well as their emulation ceremonies when the best workers get emulated. We have to carry their photographs on our television screens and in our newspapers."

"We have to ensure that what the workers are doing and the progress they make in the areas of production and productivity -- that that in fact is carried in our media because that is not being done sufficiently at this time," Mr Bishop said.

BISHOP ADDRESSES NATION ON VARIOUS ISSUES

Agriculture Goals

FL041945 Bridgetown CANA in English 1424 GMT 4 Jan 83

[Text] St Georges, Grenada, Jan 4, CANA -- Prime Minister Maurice Bishop of Grenada has expressed dissatisfaction with the performance last year of the agricultural sector which is the country's main foreign exchange earner. Mr Bishop said in a New Year message that although a World Bank report last August had praised the tremendous strides made by Grenada in agriculture, the government was not totally satisfied with its performance.

He quoted the report as saying that the government has moved on several fronts to correct the malaise affecting agriculture, as well as enhanced and upgraded extension services and technical assistance to individual farmers, and provided large flows of financial assistance for banana and cocoa rehabilitation.

He indicated, however, that during 1982, the agricultural sector continued to be plagued by falling revenue for cocoa and nutmegs, resulting in devastating drops in the world market prices for the two commodities.

"We continued to wrestle with a disastrous inheritance on our state farms and with a traditional attitude of resistance by some of our farmers to the introduction of upgraded technology and new scientific techniques of agricultural production," Mr Bishop said.

The prime minister said, however, that despite the many ills of the industry, government was still able to make tremendous strides in agriculture and referred to the rebuilding of the Mirabeau farm school, which was destroyed by fire in 1980, and the establishment of five additional agricultural training centres in the country.

Mr Bishop stated that the government was also able to establish a soil and water resource unit with assistance from the United Nations Food and Agriculture Organisation (FAO), which became one of the first centres of its kind in the Caribbean, that could computerize data on soil and water resources.

There was also the 20.3 million-dollar (one E.C. dollar; 37 cents U.S.) (E.C.) cocoa rehabilitation project with assistance from the Government of Canada, aimed at replanting up to 10,000 acres of cocoa trees over an 8-year period, as well as the expansion of food crops throughout the country, he added.

Noting that there were many challenges facing the government in the agricultural sector this year, the prime minister stated that with there being no imminent signs to a lessening of the global economic recession, Grenada would continue to call for the establishment of a new international economic order.

He said the struggle in the industry would include expanding the crop diversification programme, seeking new stable markets with guaranteed prices, stepping up agro-processing operations in order to provide new local markets for farmers, as well as more employment and foreign exchange.

Mr Bishop stressed that the major task which will occupy the government in the agricultural sector in 1983 would be that of finding new ways of producing more at a lesser price, and of intensifying the drive towards modernization.

"The time is now to abandon the old ways of production that are no longer feasible, to reorganize patterns of production, to experiment with new techniques such as contouring and terracing, to raise productivity yields in all crops, to mechanize, and to apply science and technology to the land.

"The time is now for increased cooperation of all types among farmers for the sharing of machinery, joint purchase of fertilizers, transportation of products to the marketing board, and to ensure that every square inch of idle land in the country is put into production so that we may very soon become a nation that feeds itself," he said.

Struggle Against Imperialism

FL041950 Bridgetown CANA in English 1739 GMT 4 Jan 83

[Text] St Georges, Grenada, Jan 4, CANA -- Grenada's prime minister, Maurice Bishop, has called on Granadians to rededicate themselves during the new year to the struggle for peace in the international community, disarmament, peaceful co-existence and Caribbean integration. Mr Bishop urged the nation to continue to pioneer what he referred to as the growing call for the Caribbean to be declared and recognised in practice as a zone of peace, independence and development.

He told Grenadians that during 1983 they should continue to push strenuously for the "unreserved" acceptance in the region of the principle ideological pluralism, as well as an end to all forms of oppression, exploitation and military aggression against people in the Caribbean, Latin America, and elsewhere.

He also called for a firm resolution to continue "our uncompromising struggle against imperialism and the forces of reaction." He made a plea for solidarity with the peoples of South Africa, Namibia, El Salvador and the Palestine who he said were struggling for their freedom, sovereignty and human rights.

The prime minister said: "Let us especially remember our brothers and sisters of Nicaragua who at this time are facing such brutal terrorist and cowardly attacks by imperialism and their agents in Central America. Let us once more pledge our solidarity with all popular democratic, anti-imperialist, progressive, revolutionary, and national liberation forces around the world struggling to bring about a more just and happy life for the vast majority of mankind."

Plan To End Unemployment

FL042010 Bridgetown CANA in English 1650 GMT 4 Jan 83

[Text] St Georges, Grenada, Jan 4, CANA -- The Grenada Government says it is optimistic about ending unemployment here, now running at 14 per cent.

Prime Minister Maurice Bishop addressing the nation, said his government, which has consistently referred to agriculture as "the motor of the economy," had estimated that 2,500 new jobs would be created over the next three years in the sector.

He said that because of the many ambitious projects being undertaken by the government, coupled with those projects to come on stream, there would be jobs available for tractor drivers, soil scientists, farm managers, agricultural economists, accountants, cooperative farmers and extension officers.

The prime minister, who declared 1983 as "the year of political and academic education," stressed that these new jobs would require skilled personnel for the "modernized agriculture" that the government was hopeful of building.

Mr Bishop said in the construction industry there would be more job opportunities because of the need for plumbers, electricians, masons, carpenters, painters, architects, mechanics, surveyors, soil testers and engineers.

For tourism, the second main foreign exchange earner after agriculture, he said the Grenada Government was hopeful of providing 500 new jobs because of its projections to spend 400 million E.C. dollars (one E.C. dollar; 37 cents U.S.) during the next three years.

He stated that the jobs to be provided in the tourism sector would become available with the opening of the new international airport, being constructed at Point Saline. He added that new hotels and restaurants would also be opening.

The prime minister indicated that the new jobs would require a certain amount of skilled personnel because any "casual" examination of the unemployed in Grenada would show that these people did not possess the necessary skills to take up the jobs to be created.

HAITI

MINISTRY ISSUES REPORT ON 1 JAN EXPLOSION

PA040447 Paris AFP in Spanish 0309 GMT 4 Jan 83

[Text] Port-au-Prince, 3 Jan (AFP) -- The Haitian interior and national defense secretary officially announced tonight the explosion of a bomb in downtown Port-au-Prince on 1 January. According to a communique, the "carrier" was killed. During the attack, 11 "peaceful citizens" were injured, 2 of whom later died.

The "carrier" of the bomb was Allan C. Mills, A U.S. citizen of Jamaican origin. The communique stated that he had rented a red Pony car of South Korean manufacture. According to the communique, the Haitian Government strongly condemns the terrorist attack staged by a U.S. citizen paid by the "Hector Riobe" terrorist brigade of Miami, Florida.

As recalled, responsibility for this attack was claimed on Sunday by a Haitian exile group, the Hector Riobe Brigade. In late July, the same group claimed responsibility for firing on two civilian cars and for an aborted attempt to dynamite a bridge and electricity post on the outskirts of Port-au-Prince.

TRINIDAD & TOBAGOMINISTER DISCUSSES CURRENT OIL SITUATION

FL301800 Bridgetown CANA in English 1549 GMT 30 Dec 82

[Text] Port-of-Spain, Dec 30, CANA -- Trinidad and Tobago's energy minister, Patrick Manning, says the country can no longer afford to maintain its current 305,000-barrels-a-day petroleum refining capacity. He told the House of Representatives that the market for petroleum products was becoming smaller and smaller and Trinidad and Tobago would have to look to the Caribbean and Latin America for new outlets.

Mr Manning referred to the depressed world oil situation and factors which had an effect on oil prices and production. Refiners were being shut down all over the world, he said.

The minister estimated that the total refinery utilisation in the Caribbean in these circumstances would be about 55 percent.

He charged that the interests of some of the oil companies were not necessarily in accordance with the interest of Trinidad and Tobago and "fun and games" had started in the Caribbean. He did not elaborate.

Mr Manning referred to what he called "a fallacy" which needed to be put to rest in relation to oil production and reserves. The important thing was not the production rate, he said, but the rate at which new reserves were discovered to add the production.

The minister gave details of Trinidad and Tobago's proven crude oil reserves over the years, showing that in 1966, the reserves were at 521 million barrels, while in 1981 this figure had risen to 625 million barrels and this year it was down to 580 million barrels. The 1981 figure, he said, did not take into account reserves on the Galeota Ridge.

Crude oil production in 1980 was 77.6 million barrels; in 1981, 69.1 million barrels and this year, 64.6 million barrels.

Giving details of the individual oil companies operating here, Mr Manning said the American-owned Texaco had produced 5.98 million barrels in 1981 and 5.66 million in 1982, a decline of 3.7 percent.

During the year, the company drilled 15 wells, explored four and developed 11. A comprehensive study of the company's heavy oil reserves was also conducted. Texaco found oil and gas at the Iguana well in the Gulf of Paria and the reserves were being evaluated.

Trinidad Tesoro also had a decrease in production, Mr Manning said, registering 8.86 million barrels in 1981 and 8.33 million barrels in 1982, a decrease of about six percent. Tesoro drilled 130 wells, explored four and developed 126.

Trinmar recorded an increase in production of 1.6 percent, moving from 13.65 million barrels in 1981 to 13.87 in 1982. The company drilled 39 wells and explored seven, developing 32.

An increase was also recorded at the state-owned Trintoc, which moved from 2.76 million barrels in 1981 to 2.80 million in 1982, an increase of 1.4 percent. Trintoc drilled 39 wells, explored seven and developed 32.

Mr Manning said oil production increased through increased development drilling activity. Production at Amoco decreased from 37.76 million barrels in 1981 to 33.98 million barrels in 1982, a fall of 11.2 percent.

BOLIVIAINTERIOR MINISTER ON FIGHT AGAINST DRUG TRADE

PY050228 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Jan 83

[Excerpts] The Government of the Democratic and Popular Unity will launch a fierce fight against drug trafficking in the Chapare area in Cochabamba Department by promoting agro-industries with an \$80,000 loan granted by the IDB. This announcement was made by Interior Minister Mario Roncal during a press conference held in the city of Cochabamba. He also pointed out that for this purpose Bolivia will obtain another loan of approximately \$25,000.

We have received the following information from Cochabamba:

[Begin relay from Cochabamba] Panamericana reporting from Cochabamba. This afternoon, Tuesday, Interior Minister Mario Roncal carried out intense activities in this capital. The press conference held by the interior minister at the prefect's office ended a few minutes ago.

The following are some of the most noteworthy statements made during the press conference: In the first place the minister disclosed that the fight against drug trafficking will begin. He pointed out that for this purpose police stations will be established in the Chapare zone and that they will be equipped to handle the problem. To this effect, Roncal also held meetings with peasant leaders of the tropical Chapare zone and authorities of the narcotics department. In referring to the employees of the former Criminal Investigations Department the minister stated that a only reduced number of them will be reinstated in the police force because most of them have a background that is not compatible with the principles of democracy and human rights. Roncal also made it quite clear that they will receive no indemnity.

In referring to the strikes and stoppages which are being staged in various districts of the country, the interior minister asserted that there are persons and groups who wish to return to the past by going against democracy and trying to destabilize the current government. However, the minister stated, the people are aware that democracy is the best guarantee for the country.

In responding to the question of whether the country is receiving pressure for the granting of loans, the minister stated that the country has recovered its freedom through democracy and that it will not tolerate pressure of any kind and from any sector. The country will abide by the law. [end relay]

COLOMBIA30 GUERRILLAS ACCEPT AMNESTY IN CAQUETA

PA041816 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 4 Jan 83

[Text] Florencia -- To date, some 105 guerrillas in Caqueta Department have accepted the amnesty law, several of them having already returned to civilian life to seek work.

Caqueta Governor (Jose Miguel Ortiz) has confirmed that a group of 30 members of the outlawed M-19 [19 April Movement] led by Capt (Alirio Orlando Pena) showed up at the mayor's office on Sunday night to negotiate their pardon under the terms of Law 35 of 1982, or the amnesty for peace, that has been in effect since 20 November.